

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 55 - HB 260

February 16, 2009

SUMMARY OF BILL: Expands eligibility for Tennessee River Resort District (TRRD) status, for the exclusive purpose of special allocations of state sales tax revenue, to include any county in which at least 51 percent of the total acreage of the county is owned by the federal government, is dedicated as a national forest, and has at least three rivers flowing through the county (Polk County).

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$150,000

Increase Local Revenue - \$150,000/Polk County

Assumptions:

- Pursuant to Tenn. Code Ann. § 67-6-103(a)(3)(A), incorporated municipalities receive 4.5925 percent of all state sales tax revenue. Each incorporated municipality's share of this allocation is based on the ratio of the incorporated municipality's population to the aggregate population of all incorporated municipalities within the state.
- Pursuant to Tenn. Code Ann. § 67-6-103(a)(3)(F)(i), counties and incorporated municipalities electing TRRD status receive 4.5925 percent of actual state sales tax revenue collected within their respective jurisdictions in lieu of any allocations that would have been received pursuant to T.C.A. § 67-6-103(a)(3)(A).
- Based on information provided from the Department of Revenue (DOR), there would not be any incorporated municipalities expected to benefit from electing TRRD status. However, Polk County is expected to benefit and elect TRRD status.
- According to DOR, Polk County would receive a share of state sales tax revenue estimated to be \$150,000 per year. Therefore, the decrease to state revenue is estimated to be \$150,000 per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/rnc